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ANNUAL AUDITED REPORT FORM X-17A-5 PART III

FACING PAGE
Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

PEPORT FOR THE PERIOD REGINNIN	DRT FOR THE PERIOD BEGINNING January 1, 2019 AND ENDING December 31, 2019		nber 31, 2019
REPORT TOK THE PERIOD PROMINITY	MM/DD/YY		MM/DD/YY
A. R	EGISTRANT IDENTIFI	CATION	
name of broker-dealer: Abner	Herrman & Brock, LL	c . [OFFICIAL USE ONLY
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)		Box No.)	FIRM I.D. NO.
Harborside 5, 185 Hudson Str	eet, Suite 1640		•
	(No. and Street)		
Jersey City	NJ	073	311
(City)	(State)	(Zip C	Code)
NAME AND TELEPHONE NUMBER OF	PERSON TO CONTACT IN	REGARD TO THIS REPOR	.T
		(Ara	ea Code – Telephone Numb
			a Code - Telephone Pulmo
B, At	CCOUNTANT IDENTIF	ICATION	
INDEPENDENT PUBLIC ACCOUNTAN	T whose opinion is contained i	in this Report*	
Lerner & Sipkin, CPA's LLP		Mail D.	>
	(Name - if individual, state last,	first, middle name)	ssing
132 Nassau Street, Suite	1023 New York	MY.	10038
(Address)	(City)	(State) 252	020 (Zip Code)
CHECK ONE		Washington 416	Do
CHECK ONE:		416	
Certified Public Accountant			
Public Accountant	•	•	
Accountant not resident in I	Jnited States or any of its poss	essions.	
	FOR OFFICIAL USE C	NLY	

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1410 (11-05)

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OATH OR AFFIRMATION

I, Howard J. Abner		, swear (or affirm) that, to the best of
my knowledge and belief the accompanying financial Abner Herrman & Brock, LLC	l statement ar	nd supporting schedules pertaining to the firm of, as
of December 31	20 <u></u> 19	_, are true and correct. I further swear (or affirm) that
neither the company nor any partner, proprietor, prin	ncipal officer	or director has any proprietary interest in any account
classified solely as that of a customer, except as followed	ws:	
COAFFARM LARAPOTE		
RAFAEL L. MARTE		÷
Notary Public, State of New York		MA A A A A
No. 01MA6026293		Will wolf Winos
Qualified in Bronx County	· -t	Signature
Commission Expires: June 14, 2023		V
		Chairman
A I DAM		Title
11/11/1/1/11/20 - 21	12/20	
Notary Public	'aj 20	
This report ** contains (check all applicable boxes):		
(a) Facing Page. (b) Statement of Financial Condition.	,	
	her comprehe	ensive income in the period(s) presented, a Statement
of Comprehensive Income (as defined in §21	0.1-02 of Re	gulation S-X).
(d) Statement of Changes in Financial Condition	1,	A Company of Control
(e) Statement of Changes in Stockholders' Equi	ty or Partners	or Sole Proprietors' Capital.
 (f) Statement of Changes in Liabilities Subordin (g) Computation of Net Capital. 	lated to Claim	ns of Ciculors.
(h) Computation for Determination of Reserve F	Requirements	Pursuant to Rule 15c3-3.
(i) Information Relating to the Possession or Co	ontrol Require	ements Under Rule 15c3-3.
(i) A Reconciliation, including appropriate explain	anation of the	Computation of Net Capital Under Rule 15c3-1 and the
Computation for Determination of the Reserv	ve Requireme	ents Under Exhibit A of Rule 15c3-3.
	naudited State	ements of Financial Condition with respect to methods of
consolidation.		
(I) An Oath or Affirmation. (m) A copy of the SIPC Supplemental Report.		
(m) A copy of the SIPC Supplemental Report.	s found to exis	st or found to have existed since the date of the previous aud

^{**}For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

Abner Herrman & Brock, LLC

Statement of Financial Condition

December 31, 2019

Abner Herrman & Brock, LLC Statement of Financial Condition December 31, 2019

ASSETS

Cash and cash equivalents Advisory fees receivable	\$ 1,163,247 61,978
Fixed assets - net of accumulated depreciation and amortization of \$412,868 (Note 2(d)) Right-of-use asset Other assets	115,122 430,455 77,533
Total Assets	\$ <u>1,848,335</u>
LIABILITIES AND Members' CAPITAL	
Liabilities: Accounts payable and accrued expenses Operating lease liability	\$ 137,909 430,455
Total Liabilities	568,364
Commitments and Contingencies (Notes 4 and 6)	
Capital (Note 7)	1,279,971
Total Liabilities and Members' Capital	\$ <u>1,848,335</u>

Abner Herrman & Brock, LLC Notes to Financial Statements December 31, 2019

Note 1. Nature of Business

Abner Herrman & Brock, LLC (The "Company") clears all securities transactions through its clearing broker on a fully disclosed basis, and consequently operates under the exemptive provisions of S.E.C. Rule 15c3-3(k)(2)(ii). Also, the Company provides investment advisory services mainly to individual investors.

Note 2. Summary of Significant Accounting Policies

a) Revenue Recognition

Securities transactions (and the recognition of related income and expenses) are recorded on a settlement date basis, generally the third business day following the transaction date. There is no material difference between trade and settlement date.

Investment advisory fees are recognized as revenues as earned.

b) Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Company considers demand deposited money market funds to be cash and cash equivalents. Cash and equivalents include investments with initial maturities of three months or less. The Company maintains its cash balances at credit-worthy financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At December 31, 2019, a total of 318,851 was in excess of FDIC-insured amounts held in financial institutions. There were no cash equivalents at December 31, 2019.

c) Income Taxes

Income taxes are not payable by, or provided for, the Company. Members are taxed individually on their share of Company earnings for federal and state income tax purposes.

d) Property and Equipment

Property and equipment are depreciated on the straight-line method over an estimated useful life of four to seven years.

Leasehold improvements are recorded at cost and are amortized in accordance with the straight-line method over the length of the lease.

e) Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses.

f) Subsequent Events

The Company has evaluated events and transactions that occurred between December 31, 2019 and February 3, 2020, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

Abner Herrman & Brock, LLC Notes to Financial Statements December 31, 2019

Note 3. Fixed Assets

Fixed assets consist of the following at December 31, 2019:

Machinery and equipment	\$ 215,252
Furniture and fixtures	205,238
Automobiles	107,500
	527,990
Less: Accumulated depreciation	(412,868)
	\$ 115,122

Depreciation expense was \$36,524 for the year ended December 31, 2019.

Note 4. Leases

The Company leases office space pursuant to an operating lease expiring September 30, 2022. The future minimum rental commitments through termination is as follows:

Year ending December 31,		Amount	
2020	\$	170,170	
2021		170,170	
2022		127,627	
Total minimum lease payments	\$	467,967	

Pursuant to FASB Accounting Standards Codification ("ASC") 842, regarding leases, which took effect as of the first day of the fiscal year, the Company has reflected a right-of-use asset in the amount of approximately \$430,000 and a lease liability in the amount of \$430,000. There is little impact to the Members' net capital, as the right-of-use asset is allowable to the extent of an offsetting lease liability.

We elected to apply certain practical expedients provided under ASC 842 whereby we will not reassess (i) whether any expired or existing contracts are or contain leases, (ii) the lease classification for any expired or existing leases and (iii) initial direct costs for any existing leases.

Our leases consist of leaseholds on office space. The approach takes into consideration the range of the term, the range of the lease payments, the category of the underlying asset and our estimated incremental borrowing rate, which is derived from information available at the lease commencement date, in determining the present value of lease payments.

During the year ended December 31, 2019 the Company incurred \$139,717 towards the amortization of assets included in expenses in the accompanying Statement of Income.

Abner Herrman & Brock, LLC Notes to Financial Statements December 31, 2019

Note 5. Profit Sharing Plan

The Company maintains a defined contribution plan covering substantially all employees. The Company contributes annually a match contribution based upon the amount the employees contribute and, at the discretion of management, up to 15% of the eligible compensation. For the year ended December 31, 2019, the Company contributed \$7,427.

Note 6. Financial Instruments with Off-Balance Sheet Credit Risk

As a securities broker, the Company is engaged in buying and selling securities for a diverse group of institutional and individual investors. The Company's transactions are collateralized and are executed with and on behalf of banks, brokers and dealers and other financial institutions. The Company introduces these transactions for clearance to another broker/dealer on a fully disclosed basis.

The Company's exposure to credit risk associated with non-performance of customers in fulfilling their contractual obligations pursuant to securities transactions can be directly impacted by volatile trading markets which may impair customers' ability to satisfy their obligations to the Company and the Company's ability to liquidate the collateral at an amount equal to the original contracted amount.

The agreement between the Company and its clearing broker provides that the Company is obligated to assume any exposure related to such non-performance by its customers. The Company seeks to control the aforementioned risks by requiring customers to maintain margin collateral in compliance with various regulatory requirements and the clearing brokers internal guidelines. The Company monitors its customer activity by reviewing information it receives from its clearing broker on a daily basis, and requiring customers to deposit additional collateral, or reduce positions when necessary.

Note 7. Net Capital Requirement

The Company is subject to the Securities and Exchange Commission's Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 1500%. At December 31, 2019, the Company had net capital of \$1,014,676, which was \$1,005,502 in excess of its required net capital of \$9,194. The Company's net capital ratio was 13.59%.

A copy of the Company's Statement of Financial Condition as of December 31, 2019, pursuant to SEC Rule 17a-5 is available for examination at the Company's office and at the regional office of the Securities and Exchange Commission and the office of the Financial Industry Regulatory Authority.



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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members of Abner, Herrman & Brock LLC Harborside 5 185 Hudson Street, Suite 1640 Jersey City, NJ 07311

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Abner, Herrman & Brock LLC as of December 31, 2019, and the related notes (collectively referred to as the financial statement). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of Abner, Herrman & Brock LLC as of December 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

The financial statement is the responsibility of Abner, Herrman & Brock LLC's management. Our responsibility is to express an opinion on Abner, Herrman & Brock LLC's financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Abner, Herrman & Brock LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Server & Sipkin CPAs, LLP Lerner & Sipkin CPAs, LLP Certified Public Accountants (NY)

We have served as Abner, Herrman & Brock LLC's auditor since 1997.

New York, NY February 3, 2020